

*H. Civil Service*

SECRET

3. The Congress has completed action on the so-called "Fringe Benefits" Act and it now goes to the White House for signature. The Act as passed includes an exemption for CIA from the provisions of the Performance Rating Act of 1949, eliminating the three special slots for Scientific Intelligence, now no longer necessary because of increases in Federal wage scales, and a Government-wide Incentive Awards Program. The House conferees have adopted the Senate version of the Incentive Awards Program, which did not include inspection authority by the Civil Service Commission, and therefore it was unnecessary to secure any exemption from its provisions. *18 Aug. 1954*

SECRET